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The Two Sessions (March 2024)

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Abstract

The National People's Congress (NPC) and China's Political People's Consultative Conference (CPPCC) annual plenary meetings — also called the “two sessions” (*lianghui*) — took place as planned in early March 2024 in Beijing. Nonetheless, they were held before a third plenum of the Chinese Communist Party (CCP) Central Committee, which was supposed to convene in the autumn of 2023, could be convened, suggesting possible divisions within the Party leadership. Instead, an important CCP Central Work Economic Conference was held in December, followed by several Politburo meetings deciding about the two sessions' agenda and substance. The two sessions' choreography was without surprise: all reports and decisions submitted by the government were approved, quasi-unanimously. Ambitious economic objectives were announced, especially a 5% growth rate for 2024 and the move towards a high-quality development model. As usual, the two sessions were also the occasion for NPC and CPPCC delegates to air some of their concerns about the situation in their locality or bureaucracy. Nonetheless, even more than before the 2024 two sessions have underscored how much the Party and General Secretary cum State President Xi Jinping in particular call the shots. Premier Li Qiang's press conference was cancelled. New rules on the operation of the State Council, China's central government, were adopted, putting it under closer Party watch and confirming that decisions are made elsewhere.

Key findings

- No CCP Third Plenum devoted to the economy was held before the end of 2023.
- Instead, an important CCP Economic Work Conference was convened in December 2023, followed by several Politburo meetings deciding about the agenda and the substance of the two sessions.
- The two sessions announced an ambitious growth rate — 5% — for 2024 — despite the economic headwinds China is facing.
- High-quality economic development is the new priority, hiding a slower growth.
- Premier Li Qiang's press conference was canceled, underscoring Xi Jinping's prominence.
- The State Council, China's central government, has been put under closer Chinese Communist Party watch.

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Part one: Before the Two Sessions

Usually, the CCP Central Committee third plenum is devoted to economic issues. Long expected, then postponed to the first quarter of 2024, this plenum has yet to be held as this policy brief is published.¹ This non-meeting is unusual since all previous third plenums of the Central Committee have taken place on time since the early 1980s. It therefore is hard to explain but underscores possible policy divisions among the Chinese leadership.² In December an important CCP Central Economic Work Conference was held, de facto replacing the third plenum. And several Politburo meetings were held all the way to the very eve of the two sessions, highlighting an even stronger power concentration in the hands of Xi Jinping and the leaders whom he promoted at the 20th Party Congress in October 2022.

The Party's Central Economic Work Conference

The CCP's Central Economic Work Conference was held in Beijing on 11 and 12 December 2023. Chaired by Xi, who of course made "an important speech", it gathered more officials than the usual CCP Central Committee plenum.³ Apart from the Politburo members, it also included many central, local and military officials. Its objective was to strengthen the macroeconomic situation of the country and in particular to set not less than nine priorities for the coming years. These nine priorities include scientific and technological innovation, domestic consumption, job creation, urban-rural integration and foreign investment, making "invest in China" more attractive while mitigating risks, sorting out the housing sector crisis and local government debt through financial reform, and preserving social stability.

Consequently, a new balance between economic development and regime security (*yijin cuowen* or "promoting stability through progress") as well as a more cautious strategy (*xianli houpo* or "establish the new before abolishing the old") were then established. Made public in the final outline detailing the plan for 2024, this new balance would be confirmed in the reports presented at the two sessions.⁴

¹ *South China Morning Post (SCMP)*, 27 November 2027, <https://www.scmp.com/business/china-business/article/3242911/chinas-president-xi-jinping-visit-shanghai-tuesday-his-first-trip-nations-commercial-hub-2021>

² Zhuoran Li, "China's Third Plenum is Long Overdue", *The Diplomat*, 25 March 2024, <https://thediplomat.com/2024/03/chinas-third-plenum-is-long-overdue-thats-a-red-flag/>

³ https://english.www.gov.cn/news/202312/12/content_WS657860aec6d0868f4e8e21c2.html; <https://www.chinadaily.com.cn/a/202312/14/WS657aa4a8a31040ac301a7cd0.html>

⁴ "China's Central Economic Work Conference Outlines Key Priorities for 2024", *China Brief*, 21 December 2023, <https://www.china-briefing.com/news/chinas-central-economic-work-conference-outlines-key-priorities-for-2024/>

The February 2024 Politburo meeting

On 29 February 2024, the Politburo (24 members, no women) held an ordinary monthly meeting aimed at endorsing the agenda of the two sessions as well as all the reports submitted to the NPC and CPPCC delegates. While referring to many of the priorities set at the December Party conference, the meeting also explicitly referred to the “complicated international situation” and the importance of 2024 as the year of the 75th anniversary of the establishment of the People's Republic of China.⁵ Chaired by Xi, it confirmed the new balance between development and stability as well as new and old policies. Xi also made a speech on the “high-quality development of new energies” and the need to improve energy security.⁶ However, this meeting failed to announce the long-expected third plenum of the CCP Central Committee.

- Short of a Central Committee Plenum, the December 2023 Party Central Economic Conference established the priorities for 2024.
- A new balance between economic development and social stability was agreed upon.
- The 29 February 2024 Politburo meeting confirmed these priorities and endorsed the two sessions' agenda and reports.

Quote

Under the leadership of the CPC Central Committee with Xi at its core, the entire Party and the people of different ethnic groups have withstood external pressures, overcome internal difficulties and deepened reform and opening up. They have strengthened macroeconomic regulation and control, expanded domestic demand, optimized structures, boosted confidence, and worked to prevent and defuse risks.⁷

⁵ https://www.gov.cn/yaowen/liebiao/202402/content_6935033.htm;
https://english.www.gov.cn/news/202402/29/content_WS65e040aac6d0868f4e8e474f.html

⁶ https://interpret.csis.org/original_author/central-political-bureau/

⁷“Xi Jinping Delivers Important Speech at Central Economic Work Conference”, *Xinhua*, 14 December 2023,
<https://www.chinadaily.com.cn/a/202312/14/WS657aa4a8a31040ac301a7cd0.html>

Part two: *The Two sessions*

Overview

The second plenary session of the 14th NPC (2,977 members) was held from 5 to 11 March 2024 and the plenary session of the 14th National Committee of the CPPCC (2,172 members) was held from 4 to 10 March 2024, both in the Great Hall of the People in Beijing. There were few surprises except the cancellation of Premier Li Qiang's press conference at the end of the NPC meeting, a cancellation announced on the first day of the NPC plenary session. The NPC is chaired by Zhao Leji, No. 3 of the CCP Politburo Standing Committee and the CPPCC by Wang Huning, No. 4 of the same body. The Politburo Standing Committee is made of seven members, Li Qiang is officially its second top leader, just behind Xi Jinping. The usual number of reports were presented and approved by the NPC delegates. In addition, an amendment to the State Council Organic Law strengthening the leading role of the Party in the central government was introduced.

But no nominations were made. The two State Councillor positions left vacant after the purge of Foreign Minister Qin Gang in June 2023 and Defense Minister Li Shangfu in September 2023 have not been filled up. Thus, the Executive Committee of the State Council has remained reduced to eight leaders against ten before: the Premier Li Qiang, four Vice-Premiers (Ding Xuexiang (executive), He Lifeng, Zhang Guoqing and Liu Guozhong) and three State Councillors (Wang Xiaohong, Ms. Shen Yiqin, the highest female CCP leader) including the general secretary of the State Council (Wu Zhenglong). Contrary to what many had predicted, Wang Yi (70 years old, as Xi Jinping) remained both CCP diplomatic czar and Foreign Minister and the presumed future Foreign Minister, Liu Jianchao (60), kept his position as director of the CCP International Liaison Department. Moreover, Admiral Dong Jun (63), the new Defence Minister since December 2023, was not appointed State Councillor.

Finally, while Li Qiang (64) did not give any press conference, as a consolation prize, on 7 March journalists were offered a Wang Yi press conference, which gave the occasion to Xi's top diplomatic aide to offer a tour d'horizon of China's international successes in the past twelve months. This was also an opportunity for Wang to concentrate his attacks on the United States, responsible in his view of most of the woes that the planet is facing. Nonetheless, it should be borne in mind that, in the current economic circumstances, Beijing needs more than before a relatively stable relationship with Wahsington, whoever sits in the White House.⁸

⁸ https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202403/t20240307_11255682.html

The Government Report and Other Reports

As usual, three reports were submitted to the NPC delegates on 5 March: the Government (or State Council) Work Report, the Report on China's central and local budget and the Report on China's economic and social development plan.⁹

In his report on the work of the government, Premier Li Qiang announced ambitious objectives, particularly a 5% growth rate. This was much more a political statement aimed at boosting the morale of economic actors and the Chinese society than a goal based on economic reality. He admitted that this objective would be hard to achieve but should be reached. He also indicated that the 2023 growth rate amounted to 5.2%, another optimistic result when compared with other assessments which have sometimes been much more conservative (1.5% according to Logan Wright of Rhodium Group).¹⁰

There is a lot of continuity in terms of economic policy in Li Qiang's message. However, ongoing deflationary risks, the real estate crisis and the lack of business confidence are likely to complicate the Premier's action. For information, the IMF growth forecast for 2024 issued in January 2024 is 4.6%.¹¹

The government's other key objective is to develop, using a Marxist jargon, "new quality productive forces", in other words a high-quality development model. To achieve this goal and mitigate geopolitical risks, priority is to be given to self-reliance in new technologies' research and development (+ 10% investment). This should help create new jobs – 12 million is the objective for 2024 – and boost the "three new industries", namely electric vehicles, batteries and solar panels. But it is doubtful that these new sectors will be able by themselves to alleviate urban unemployment – officially 5.5% only – and in particular youth unemployment, estimated at 21% in 2023 before data stopped being published and later revised (in December 2023, unemployment rate for the 16-24 age group stood at 14.9%). In 2023, 12.44 million jobs were created.¹²

The stimulus package proposed by Li Qiang is much smaller and more prudent than the 2008 package introduced by his indirect predecessor Wen Jiabao after the outbreak of the world financial crisis: 1 trillion (US\$139 billion) yuan against 4 trillion yuan (then around US\$600 billion). This is understandable as the government does not wish to continue to fund a real estate sector in crisis and needless infrastructures but want to speed up the structural transformation to a high-quality growth and consequently to target investment to the industries of the future (semiconductors, artificial Intelligence (AI), etc.). In addition to the 1 trillion yuan centrally issued special bonds, local governments will be allowed to issue up to 3.9 trillion special bonds mainly to be

⁹ The English version of these reports can be found here:

<https://english.news.cn/special/2024h/>

¹⁰ [Through the Looking Glass: China's 2023 GDP and the Year Ahead - Edward Conard](#)

¹¹ [IMF revises up Asia's growth forecast, warns of China risk | Reuters](#)

¹² [China's youth-unemployment picture still blurry, social and economic risks remain even as jobless rate returns | South China Morning Post \(scmp.com\)](#)

able to complete the most urgent real estate and infrastructure projects. However, after the closure of the two sessions, in order to reduce local government debt (around 100% of the GDP), the State Council has ordered several poorer provinces, as Gansu, Guangxi and Guizhou, to shelve a substantial number of initially approved infrastructure projects (highways, tunnels, underground systems, etc.).

While the government will continue to support, “upgrade” and improve the competitiveness of state-owned enterprises (SOEs), Li Qiang’s priority is clearly to give more leeway to the private sector as well as external private investors. However, it remains to be seen whether private economic actors will regain confidence in the Chinese market: in 2023, private fixed-asset investment recorded a 0.4% drop, its first decline since 2005 and inward foreign direct investment fell 13.7% to \$163.3 billion.¹³ One of the fundamental problems is the persistence of local economic protectionism and as a result overproduction, all the way from EVs to batteries and solar panels, forcing Chinese enterprises to find new markets overseas. Another one is the contrast between Li Qiang’s lip service support of the private sector, and the CCP and Xi’s ambition to better control this sector in establishing Party branches in as many businesses as possible.

Another big challenge that the Chinese government is facing is the sluggish state of domestic consumption. Among the measures proposed to prop up consumption that should be indicated is the central government plan to improve healthcare service and coverage. It is also worth mentioning the central authorities’ project to gradually provide equal social benefits to the 300 million migrant workers residing in cities. Today (end of 2022), while 66% of the Chinese population lives in cities, only 47.7% of it enjoys urban residency or *hukou* with all the benefits attached to this status in terms of health insurance, social services and education. Huang Shouhong, the director of the State Council Research Office and head of the drafting team for the government report, strongly believes that integrating migrant workers would benefit the economy and boost consumption.¹⁴

Among the other announcement, it is important to take note of the steady increase of the defense budget (+ 7.2%, 1.67 trillion yuan or US\$231 billion), consolidating the People’s Liberation Army (PLA)’ status as the world’ second armed forces behind the United States (2024 US defense budget: US\$886 billion) but way ahead of any other country. Confirming China’s great power ambitions, on the side of the NPC meeting, the political commissar of the PLA Navy, Admiral Yuan Huazhi, officially confirmed for the first time the construction of a fourth (probably nuclear-powered) aircraft carrier. China’s third carrier (Fujian) was launched in June 2022 and has yet to conduct sea trials. Admiral Yuan also indicated that China now has the capability to deliver an “all-round response” to the US carrier fleet in the Western Pacific.¹⁵

¹³ SCMP, 6 March 2024, p. A3.

¹⁴ SCMP, 7 March 2024, p. A6.

¹⁵ SCMP, 7 March 2024, p. A6.

In Taiwan, there has been much speculation on the lack of reference to “peaceful reunification”. It is true that Li Qiang insisted on “resolutely opposing separatist activities aimed at ‘Taiwan independence’ and external interference”. Nonetheless, at the same time he promoted the “peaceful development of cross-Strait relations”, a formula much more liked by Hu Jintao than Xi Jinping, and recommended to advance “integrated cross-Strait development” in supporting among other things “demonstration zones” in Fujian aimed at attracting Taiwanese businesses.¹⁶ Whether this policy will succeed is another matter: in 2023, Taiwan’s investment in China declined year on year 40% to \$3 billion and its exports to China dropped to 35% of Taiwan’s total exports against 44% in 2020.¹⁷

Debates at the two sessions

On 6 March, Xi Jinping made a major remark when meeting with some NPC delegates from Jiangsu province on the side of the plenary session: it warned them against overcapacity – creating “economic bubbles” -- and local protectionism, the most authoritative indication that China’s economic development as remained unbalanced and uncoordinated, an old avowed structural weakness of the country’s economy.¹⁸ Later in March, when inspecting Hunan, he repeated his concerns, highlighting the fact that local protectionism and over capacity were far from being a problem of the past.¹⁹ Again, these issues are systemic, deriving from the strong role that local governments play in their constituency’s economic development strategy, and won’t be easy to overcome.

The NPC meeting gave also the occasion to Ding Xuexiang, No. 6 of the Politburo Standing Committee and Executive Vice-Premier in charge of Hong Kong and Macau Small Leading Group, to ask Hong Kong delegates to speed up the adoption of the Special Administrative Region article 23 legislation on national security.²⁰ A few days after the NPC meeting, on 19 March, the Hong Kong Legislative Council voted unanimously for the new legislation, confirming how much the Legco has become a rubber-stamp local parliament, to the image of the NPC at the national level.

Yet, on other issues, dissenting opinions emerged. For example, an important voice of caution came from Zeng Yi, a CPPCC delegate who heads a Shenzhen-based China Electronics Corporation specialised in AI. Zeng told a few dozen representatives of the science and technology community that the gap between China and the US in AI was not only still huge but also “widening”. US restrictions have forced Chinese

¹⁶ Government Work Report, p. 39; Plan for National Economic and Social Development, p. 61.

¹⁷ [Taiwan's Trade Dynamics in 2023: Challenges and Partners Shifting – Taiwan Insight](#)

¹⁸ [‘Two sessions’ 2024: Xi Jinping says while China pursues ‘new productive forces’, it must avoid economic bubbles | South China Morning Post \(scmp.com\)](#)

¹⁹ [Integrate and rise together - China policy intel - Trivium China](#)

²⁰ A law that Hong Kong needs to enact in accordance to article 23 of Hong Kong Basic Law, SCMP, 8 March 2024, p. A5.

companies, which before relied heavily on US firms as Nvidia (then 90% China's market share of AI chips) to turn to domestic AI chip makers as Sora, an SOE or *yangqi* set up directly under the SASAC (State-owned Assets Supervision and Administration Commission).²¹

Among other issues debated by delegates was a concern expressed by a CPPCC delegate, Dai Bing, who happens to also be the president of China Tourism Academy. He asked the public security to put an end to the requirement imposed on every hotel to use facial recognition to register clients, to both better protect privacy and reduce costs.²² China wants to attract more foreign tourists: for that matter, in December the Chinese government decided to allow visitors from a number of European countries to enter China without a visa (for a maximum 15 day visit). Nonetheless, it remains to be seen whether the Public Security will consider this proposal.

Zhou Yuan, another CPPCC delegate, who is also the founder and chief executive of Quora-like service Zhihu, asked the government to strengthen legislative and policy support for internet platform companies, complaining about the contradictory regulations imposed on this sector.²³ He was referring to the huge stock tumbling (\$80 billion) last December after the government proposed to rein in spending on video games (China is the world's second video game market).

Another interesting suggestion came from CPPCC delegate Lü Guoquan, a high official of the CCP-controlled Federation of Trade Unions: he suggested that workers should be better protected from "invisible" and unpaid "overtime" in including the right of "offline rest" and penalties for employers into labour laws. For him, this measure would also help reduce youth unemployment.²⁴

Finally, CPPCC delegate Jia Qingguo, a former Dean of Peking University School of International Relations, submitted a proposal asking to clarify the type of information that constitutes a violation of the recently introduced counter-espionage law. Jia is worried about the small number of foreign students and experts coming to China as well as the lack of academic freedom for PhD students and researchers.²⁵ In making this suggestion, Jia was clearly echoing concerns raised repeatedly by a Chinese academic community keen to resume relations with their colleagues overseas.

Again, these voices are worth noting not so much because of their possible traction on policies but rather because they are the manifestation of several of the frustrations some segments of the elites have accumulated since Xi Jinping came to power and strengthened his grip on the Party and the country.

²¹ SCMP, 7 March 2024, p. A6.

²² SCMP, 6 March 2024, p. A3.

²³ Quora is a California-based US company founded in 2009 which has developed a question-and-answer website and online knowledge market.

²⁴ SCMP, 7 March 2024, p. A6.

²⁵ SCMP, 7 March 2024, p. A7.

A State Council under Closer Party Watch

At the end of the two sessions, on 11 March 2024, the NPC was asked to vote on an amendment to the Organic Law of the State Council, for the first time since this law was enacted in 1982. 2,883 NPC delegates approved the amendment, 8 voted against it and 9 abstained.²⁶ This twenty-article revision is more symbolic than substantial but contributes to consolidating even more the CCP leadership and Xi's own grip on the State Council. The amendment includes specific clauses indicating that the State Council must closely follow the CCP ideology, leadership and instructions, above all "Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era".²⁷ The State Council needs in particular to "resolutely safeguard" the authority and leadership of the CCP Central Committee (CC) as well as abide by the Constitution and the laws. Li Hongzhong, the Politburo member in charge of the NPC operation (he is also the most important vice-chairman of the NPC Standing Committee) declared that the amendment was part of an overhaul of the Party-state relationship that started in 2023, which has aimed to further consolidate policy-making power within the CCP apparatus. In March 2023, a set of State Council working rules were introduced adding clauses that stipulated loyalty to the Party and Xi while removing others on transparency and reducing the two or three times a months (against every week before) the number of State Council executive meetings (Premier, Vice-Premiers, State Councillors and General Secretary of the State Council).²⁸ The amendment has restored some transparency clauses for example regarding the announcement of the plenary sessions (including all the ministers) and the executive meetings of the State Council. But not all: since 2023, the government is no longer required to disclose "all matters involving public interests, public rights, matters that need to be widely known and matters of social concern". The 1982 organic law was enacted as Deng Xiaoping and then Premier Zhao Ziyang wanted to put an end to power overconcentration, separate more clearly the tasks of the Party and the state and provide a higher degree of transparency. Today, Xi's China is turning its back to the reform era and promoting a more opaque and even more Stalinist Party-state modus operandi. Before the two sessions, in November 2023 Xi decided to appoint Li Qiang chair of the newly created CCP Central Finance Commission (*Zhongyang jinrong weiyuanhui*) to speed up the reform of the financial sector and strengthen the Party leadership on it.²⁹ However, while the relationship of this new commission with the Party Central Finance and Economic Commission

²⁶ "NPC 2024: Annotated Translation of the Revised State Council Organic Law", <https://npcobserver.com/2024/03/china-npc-2024-state-council-organic-law/>; SCMP, 13 March 2024, p. A1.

²⁷ On Xi Jinping's thought, cf. Steve Tsang et Olivia Cheung, *The Political Thought of Xi Jinping*, Oxford University Press, 2023.

²⁸ The Chinese version of the 17 March 2023 State Council Working Rules can be found here: [https://zh.wikisource.org/wiki/%E5%9B%BD%E5%8A%A1%E9%99%A2%E5%B7%A5%E4%BD%9C%E8%A7%84%E5%88%99_\(2023%E5%B9%B4\)](https://zh.wikisource.org/wiki/%E5%9B%BD%E5%8A%A1%E9%99%A2%E5%B7%A5%E4%BD%9C%E8%A7%84%E5%88%99_(2023%E5%B9%B4))

²⁹ <https://www.scmp.com/news/china/politics/article/3242772/chinese-premier-li-qiang-picked-head-finance-commission-xi-jinping-continues-delegate-duties>

remains ill defined, it is clearly subordinated to the latter, still chaired today by Xi himself. In any event, the Office Director of both commissions is Politburo member and Vice-Premier He Lifeng, the country's new economic czar and Liu He's successor in this job. In late March 2024, it was also reported that Cai Qi had taken over the headship of the CCP Central Cybersecurity Commission.³⁰ But as far as the economy is concerned, Xi clearly wants to remain at the helm. The economic difficulties that the country is facing probably explain to some extent this decision. It can be added that the recent developments tend to confirm that Xi trusts more Cai Qi, the powerful No. 5 of the Party Politburo Standing Committee, and Politburo member He Lifeng than Li Qiang, to help him steer China's ship. It must be added that Cai Qi is not only in charge of the CCP Secretariat or Party apparatus and the whole country's security but also, as director of the Central Committee General Office, acts as Xi's own cabinet chief.³¹

NPC discipline

Under Xi, the NPC delegates have been clearly "mobilised" (*dongyuan*) to vote quasi-unanimously on all the reports, nominations and decisions submitted to them. Never terribly high in the past, and high enough to veto any proposal or bill, the number of "nos" or abstentions has dropped dramatically as CCP discipline has been strengthened to precisely give the nation and the world this image of unanimity and consensus behind the Party and Xi himself. True, as in the past the Supreme Court and Supreme Procuratorate Reports tend to be more often criticised, law and order delegates dominating the NPC. Nonetheless, the numbers of noes are much smaller than under Hu Jintao: then there were in the hundreds, today in the tens.³²

Table 1 Votes in the 2024 NPC³³

	Yes	No	Abstentions
Government Work Report	2,895	2	3
NPC Standing Committee Report	2,888	7	5
Supreme People's Court Report	2,834	44	22

³⁰ SCMP, 29 March 2024, p. A3.

³¹ "The men with Xi's ear", *The Economist*, 30th March 2024, pp. 25-26.

³² Jean-Pierre Cabestan, "The 10th National People's Congress and After. Moving towards a new authoritarianism, both elitist and consultative?", *China Perspectives*, No. 47, May-June 2023, pp. 4-20.

³³ "NPC 2024: Documents and Votes", <https://npcobserver.com/2024/03/china-npc-2024-results-documents/>

Supreme People's Procuratorate Report	2,864	27	9
State Council Organic Law Revision	2,883	8	9
National Economic and Social Development Plans	2,879	10	11
Central and Local Budget	2,876	13	11

The NPC Standing Committee Report

On 8 March, Zhao Leji presented the Annual NPC Standing Committee Work Report. This long document aimed to demonstrate the active role of the Chinese Parliament and particularly its Standing Committee (which meets every two months) in promoting the state constitution, checking the constitutionality of laws and regulations, enacting new laws and exercising its oversight on the government.

As previous reports, this report also strongly emphasised the role of NPC delegates. It indicated that all the 271 proposals put forward by delegates during the first session of the 14th NPC (March 2023) were reviewed by relevant NPC special committees, leading to the adoption of 16 legislative items and the inclusion of another 59 legislative items in the future legislative plans. In addition, 75% of the issues raised in the 8,314 suggestions submitted by NPC delegates during the previous session as well as in the 130 suggestions made later have been “either solved or addressed with plans to resolve them over time”.³⁴

Zhao's report has confirmed that three new delegates had been by-elected to the NPC and 24 others had been removed. The purged delegates include 11 members of the NPC's Standing Committee (175 members), among them Minister of Foreign Affairs Qing Gang and Minister of Defense Li Shangfu. As a result, currently the NPC has 2,956 delegates. The dismissed delegates include nine top PLA officials of the Rocket Forces, among them commander Li Yuchao and political commissar Xu Zhongbo, and of other services involved in what is believed to be either a corruption or a state secret leak scandal that led to the dismissal of Defense Minister Li Shangfu in September 2023 and his replacement two months later by Admiral Dong Jun, the former commander of the PLA Navy.

³⁴ http://en.npc.gov.cn.cdurl.cn/2024-03/15/c_971403.htm

The CPPCC Standing Committee Report

On 5 March, Wang Huning presented the work report of the CPPCC Standing Committee. The report was dominated by the need to strengthen the Party leadership over this consultative assembly. The CPPCC only includes around 30% CCP members. Symbol of the “united front” between the CCP and other political forces, in particular the eight so-called “democratic parties”, the CPPCC was also instructed to study Xi Jinping’s work more deeply.

The report indicates that among the 5,621 proposals submitted by CPPCC delegates, 4,791 had been accepted and 99,9% of the latter had “received a formal response from the relevant administration”. In addition, the CPPCC had received 43,995 communications from “different sectors of the society”. On this basis, 1,063 news bulletins were compiled, out of which 594 were submitted to the CCP Central Committee or the State Council.³⁵

In December 2023, the CPPCC Standing Committee had removed three top PLA delegates from the Conference: Wu Yansheng, former chairman of China Aerospace Science and Technology Corporation, which manufactures tactical missile systems, Wang Changqing, executive at China Aerospace Science & Industry Corporation (CASIC), which makes cruise missile systems, and Liu Shiquan, a missile technology expert who had worked for CASIC until 2022 before being transferred to China North Industries Group Corporation (NORINCO). No explanation of this purge has been given but, here again, it is likely that their removal was linked to the dismissal of the whole leadership of the Rocket Forces and Li Shangfu’s own dismissal.

Conclusion

The 2024 two sessions have highlighted how much the CCP leadership has strengthened its close oversight of both the NPC, which is supposed to be the “highest organ of state power”, and the CPPCC. The CPPCC was established as early as 1949 to showcase the PRC’s “socialist democracy” and what Xi Jinping has called since 2019 China’s “whole processed people’s democracy”.³⁶ Xi’s core leadership and his thought have dominated the two sessions, clearly confirming that in today’s PRC there is no “number two” (Premier Li Qiang), just a number one who relies on his most trusted aids, as Cai Qi, He Lifeng or Ding Xuexiang, to lead the country. Economic problems have dominated the two sessions but security and social stability have also cast a long

³⁵ http://en.cppcc.gov.cn/2024-03/05/c_967703.htm

³⁶ [China's 'whole-process democracy' explained \(chinadaily.com.cn\)](http://chinadaily.com.cn); cf. also, China's White paper on democracy issued in December 2021, [China issues white paper on its democracy \(www.gov.cn\)](http://www.gov.cn)

shadow on these meetings, consolidating the new balance between growth and security, both social and regime security, that the Party has adopted since 2023.

Major takeaways from the two sessions:

- Economic difficulties have dominated the debates in both the NPC and the CPPCC annual meetings.
- Even more than before both sessions have been closely organised and led by the CCP leadership.
- There is no number two in China, just a number one, Xi Jinping.

Key takeaways for the EU

Today, the Chinese Communist Party leadership is focused on the country's economic difficulties while increasingly worried about social stability and regime security. The two sessions have confirmed this new set of priorities. In order to facilitate the necessary structural changes (establishing a genuine national market), the CCP has embarked on its own de-risking strategy, strengthening China's scientific and technological autonomy, while flooding the world with the EV and other products that it cannot sell on a domestic market depressed by a lack of consumption and purchasing power.

Consequently, while the Chinese government refuses to officially acknowledge its economy's overcapacity, it is in a weaker position in its trade negotiations both with the US and the EU. This therefore is the opportune moment for the EU to impose anti-dumping measures on Chinese EVs, batteries, solar panels and wind turbines. It is also the right time for the EU to deepen its de-risking strategy, reduce its dependence upon China, invest in other parts of Asia, and diversify its supply lines.



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